



Fourth Quarter 2015

Conference Call Presentation

March 3rd, 2016



Agenda

.Forward-looking Statements

- › Denis Jasmin, Vice-President, Investor Relations

CEO Remarks

- › Neil Bruce, President and Chief Executive Officer

Financial Overview

- › Alain-Pierre Raynaud, Executive Vice-President and Chief Financial Officer

Q&A

Forward-looking statements

Reference in this presentation, and hereafter, to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements.

Statements made in this presentation that describe the Company’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “aims”, “anticipates”, “assumes”, “believes”, “cost savings”, “estimates”, “expects”, “goal”, “intends”, “may”, “plans”, “projects”, “should”, “synergies”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: (i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the Company’s operations and potential synergies resulting from the Acquisition. All such forward-looking statements are made pursuant to the “safe-harbour” provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company’s current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company’s business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this presentation are based on a number of assumptions believed by the Company to be reasonable as at the date hereof. The assumptions are set out throughout the Company’s 2015 Management Discussion and Analysis (MD&A). The 2016 outlook also assumes that the federal charges laid against the Company and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. on February 19, 2015, will not have a significant adverse impact on the Company’s business in 2016. If these assumptions are inaccurate, the Company’s actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company’s assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risk factors are set out in the Company’s 2015 MD&A.

The 2016 outlook referred to in this presentation is forward-looking information and is based on the methodology described in the Company’s 2015 MD&A under the heading “How We Budget and Forecast Our Results” and is subject to the risks and uncertainties described in the Company’s public disclosure documents. The purpose of the 2016 outlook is to provide the reader with an indication of management’s expectations, at the date of this presentation, regarding the Company’s future financial performance and readers are cautioned that this information may not be appropriate for other purposes.

Fourth Quarter 2015 Results

- › Reported IFRS net income attributable to SNC-Lavalin shareholders of \$49.2 million, or \$0.33 per diluted share, compared with \$1,146.6 million, or \$7.51 per diluted share in Q4 2014
- › “STEP Change” program successful completed and should reduce expenses by twice the cost to implement
- › Adjusted net income from E&C of \$66.1 million, or \$0.44 per diluted share, compared with \$22.7 million, or \$0.15 per diluted share in Q4 2014
- › Bookings of \$1.9 billion, stable and diversified revenue backlog of \$12.0 billion at December 31, 2015
 - Bookings of \$0.9 billion in Oil & Gas
 - Bookings of \$0.4 billion in Infrastructure
 - Excludes two contracts signed in 2016 worth over \$2 billion (one in Power, one in O&G)
- › Cash and cash equivalents of \$1.6 billion at December 31, 2015, up 9% compared to September 30, 2015
- › Quarterly dividend increased by 4% to \$0.26 per share.

Our priorities

Focused priorities will help us reach our 7% E&C EBITDA margin target

- › Streamlined structure: Successfully completed STEP Change program to improve efficiency and execution, and implemented cost reduction initiatives
- › Focus on delivery: We will invest in world-class execution. Consistency is what clients and shareholders expect. We're increasingly leveraging our reach, flexibility and resources to meet our clients' full range of engineering and construction needs
- › Performance-driven culture: This is what it takes to meet our profitability target. We will roll out operational excellence program to reinforce culture of continuous improvement and drive improvements in our agility, project delivery and client focus
- › Growth: Both organically and through acquisitions. Winning new contracts. Our diversified nature maintains our steady backlog and an enviable pipeline

Oil & Gas

New awards in Q4 2015 of \$0.9B, backlog of \$3.6B

Backlog excludes the recently awarded project of \$0.8B for the development of infrastructure and processing facilities for a gas field in the Middle East

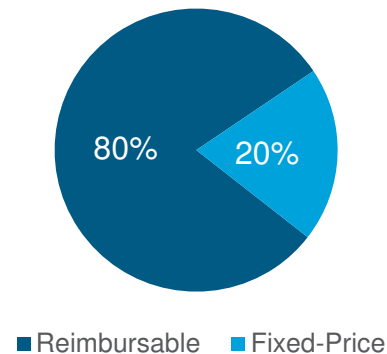
Contract award in Nov. 2015 for a water recycling facility at Qatargas Laffan Refinery 2 plant in Ras Laffan Industrial City

2015 Revenues = \$3.9B

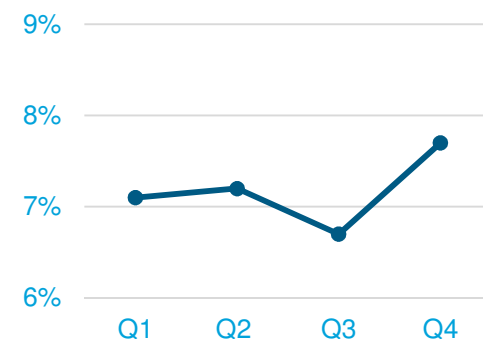
of employees ~ 20,500



2015 Revenues



2015 Cumulative EBIT %



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Mining & Metallurgy

New awards in Q4 2015 of \$70M, backlog of \$279M

EPCM contract award in Nov. 2015 for a greenfield potash mining and processing facility in Ethiopia

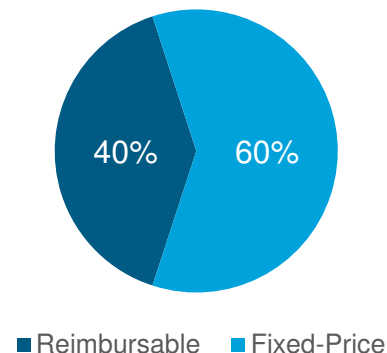
Award in Feb. 2016 of an engineering services contract for operations support services to EGA's two aluminium smelters in the UAE

2015 Revenues = \$781M

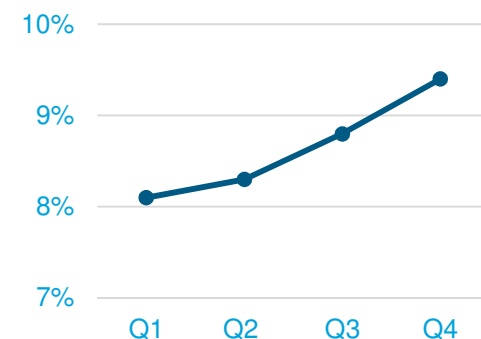
of employees ~ 2,000



2015 Revenues



2015 Cumulative EBIT %



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Power

New awards in Q4 2015 of \$206M, backlog of \$2.3B

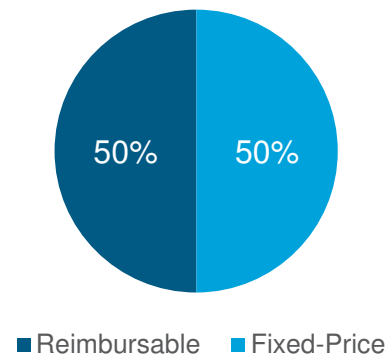
Backlog excludes SNC-Lavalin's share of the recently awarded \$2.75B nuclear refurbishment project in Canada



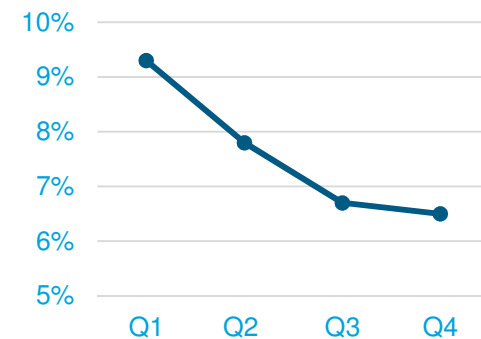
2015 Revenues = \$1.8B

of employees ~ 3,500

2015 Revenues



2015 Cumulative EBIT %



Infrastructure & Construction

New awards in Q4 2015 of \$0.4B, backlog of \$3.8B

Recently shortlisted for Gordie Howe Bridge and Finch West LRT

Awarded a district cooling contract in Saudi Arabia

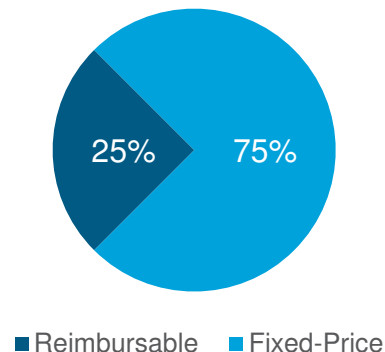
Realigned the Rail & Transit business/brand

2015 Revenues = \$1.8B

of employees ~ 6,500



2015 revenues



2015 Cumulative EBIT %




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Operations & Maintenance

New awards in Q4 2015 of \$0.3B, backlog of \$2.0B

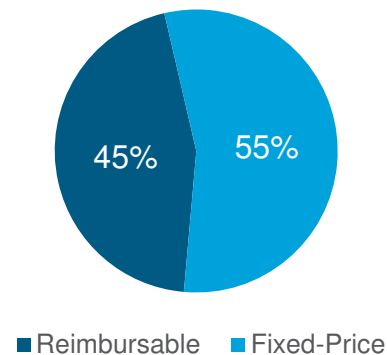
Awarded a management project for modernization of Ontario Disability Support Program offices



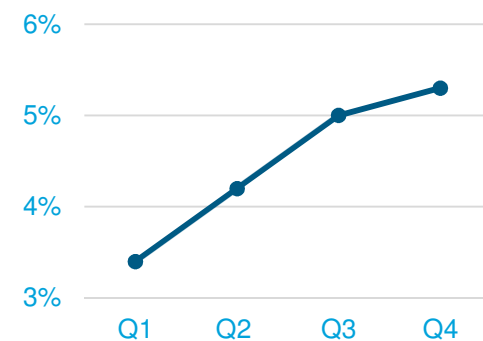
2015 Revenues = \$1.0B

of employees ~ 3,500

2015 Revenues



2015 Cumulative EBIT %



Capital (previously ICI)

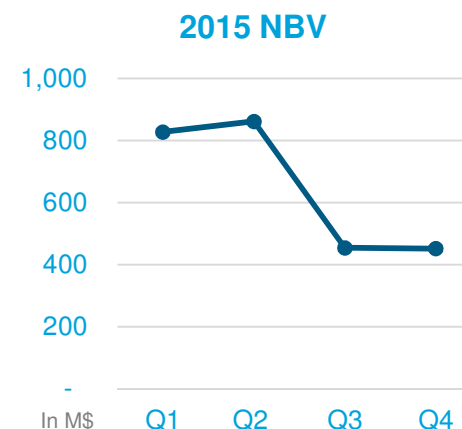
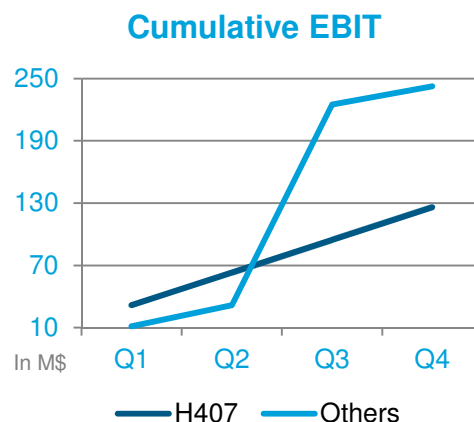
The new structure for our North American concession investments is progressing well

In Feb. 16, reached an agreement to sell our indirect ownership interest in Malta International Airport for €63M euros

407 ETR continues to deliver very good results (see appendix)

Inv. NBV = \$451M

Inv. FMV per analysts = \$3.0B



Q3 EBIT includes a gain on disposal of the Company's investment in Ambatovy of \$174M.



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Fourth Quarter 2015 Financial Performance

	E&C		Capital		Total	
	Q4 2015	Q4 2014	Q4 2015	Q4 2014	Q4 2015	Q4 2014
Revenues	2,590	2,617	56	201	2,646	2,818
Segment EBIT	191	(169)	49	1,744	240	1,575
EBITDA, Adjusted	145	8	41	158	186	166
EBITDA margin	5.6%	0.3%	n/a	n/a	7.0%	5.9%
Net income, As reported	14	(256)	35	1,402	49	1,146
Net income, Adjusted	66	23	35	84	101	107
EPS, As reported (\$)	0.09	(1.67)	0.24	9.18	0.33	7.51
EPS, Adjusted (\$)	0.44	0.15	0.24	0.55	0.68	0.70
Cash and cash equivalent					1,582	1,702
Revenue Backlog					11,992	12,326

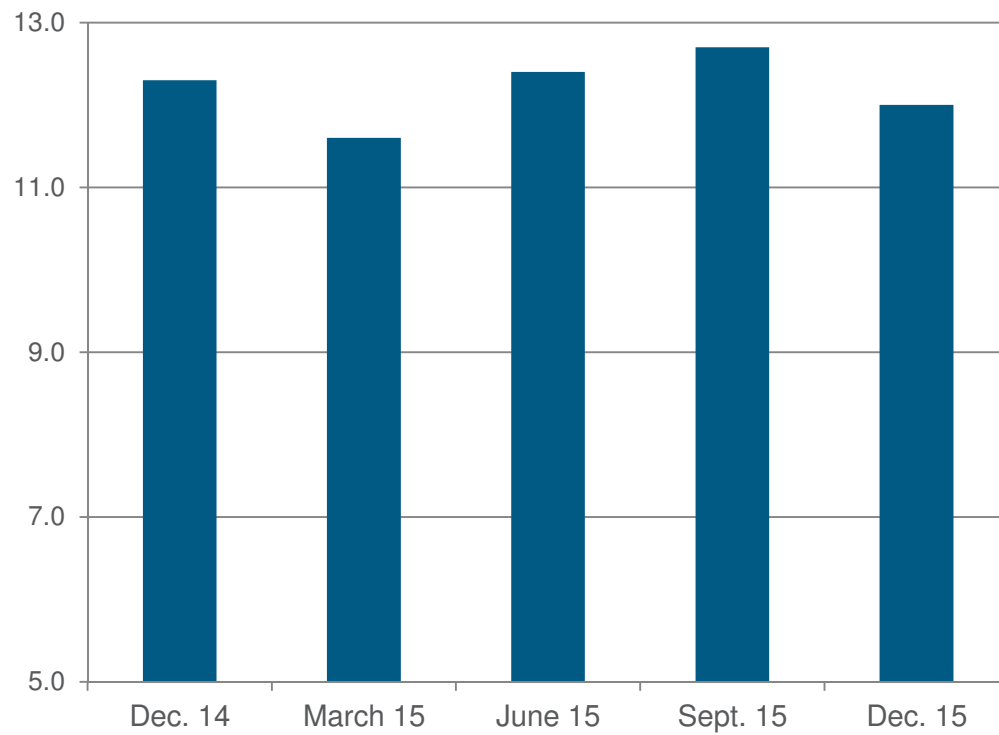


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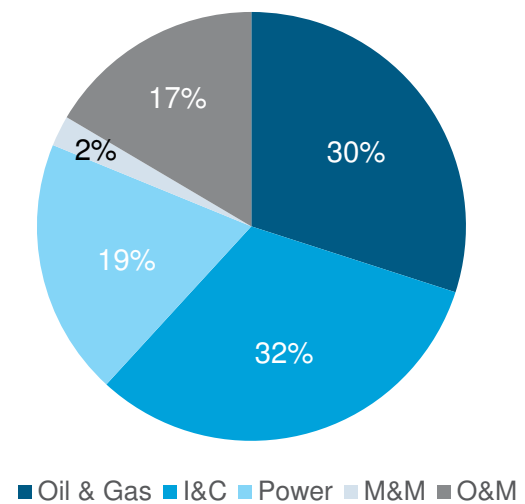
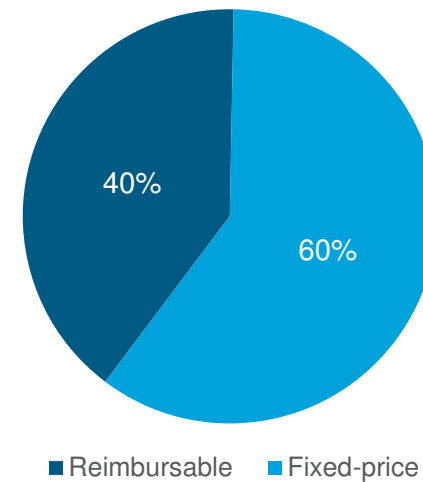
In M\$, unless otherwise indicated

Revenue backlog

(in billions CAD\$)

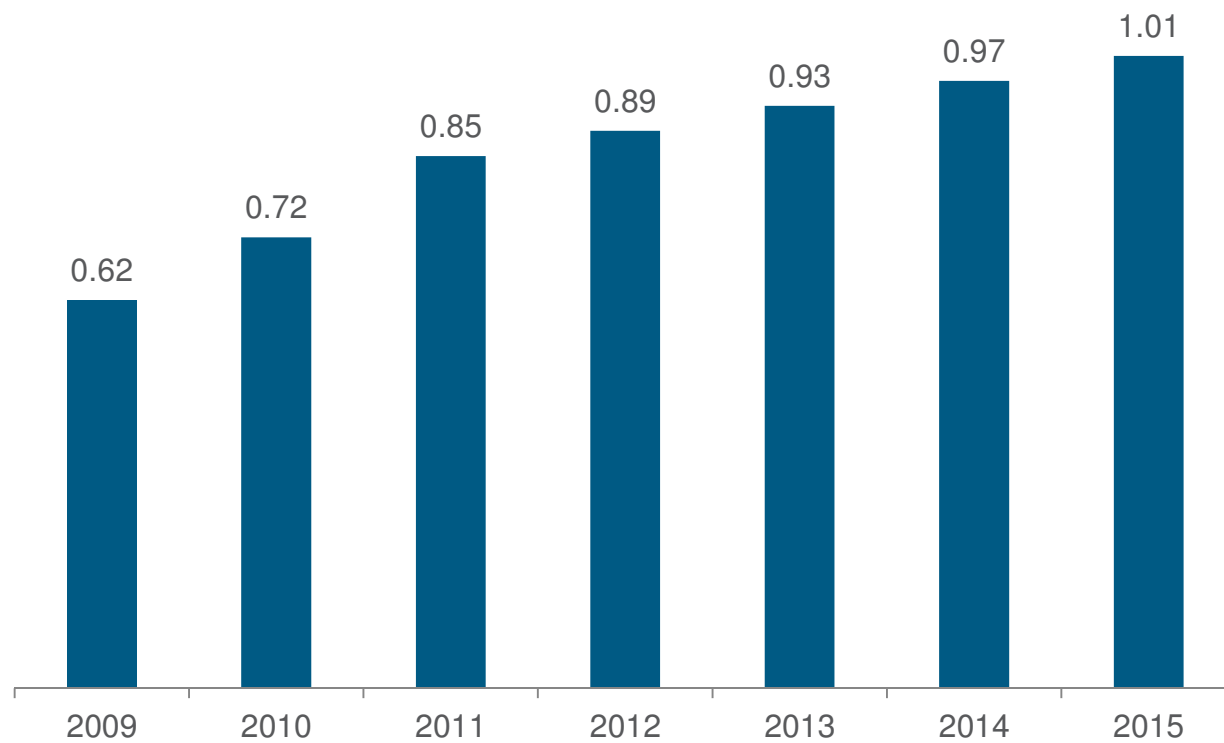


By Category and Segment



Dividend history

Annual dividends declared
(in \$ per share)



Outlook

- › We anticipate our performance in 2016 overall to benefit from our diversified E&C strategy, our cost reductions, driven by our 2015 restructuring and right-sizing initiatives, and our continued focus on improving project delivery performance.
- › We expect that the Oil & Gas and Power segments will be the main contributors to net income, while Mining & Metallurgy should be the smaller contributor to net income. We also expect that the Infrastructure & Construction sub-segment will return to profitability in 2016.

2016 Adjusted diluted EPS from E&C ➡ \$1.50 to \$1.70.

Target ➡ 7% of annualized adjusted E&C EBITDA margin in 2017.

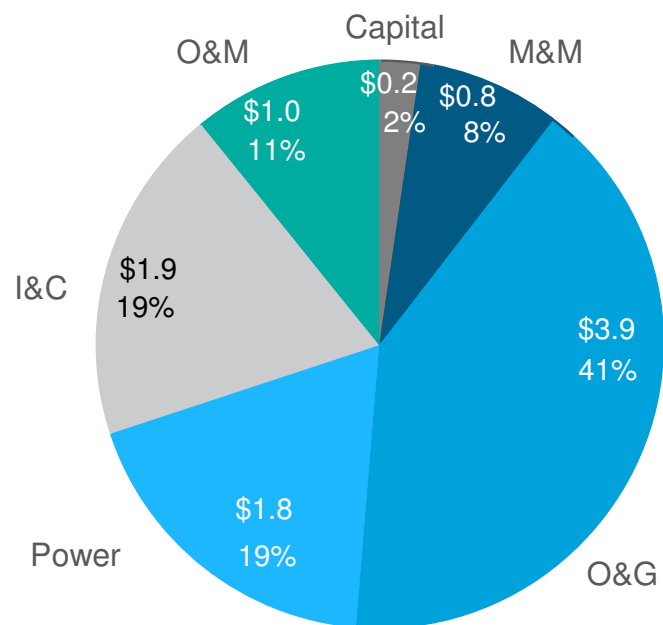
Appendix

The background of the slide features a blue-tinted aerial photograph of a city skyline, with various buildings and streets visible. A large, dark blue triangular shape with a fine grid pattern covers the left and bottom-left portions of the slide. The top-right corner is a light blue gradient. A smaller, solid bright blue triangle is located in the bottom-right corner, partially overlapping the white background.

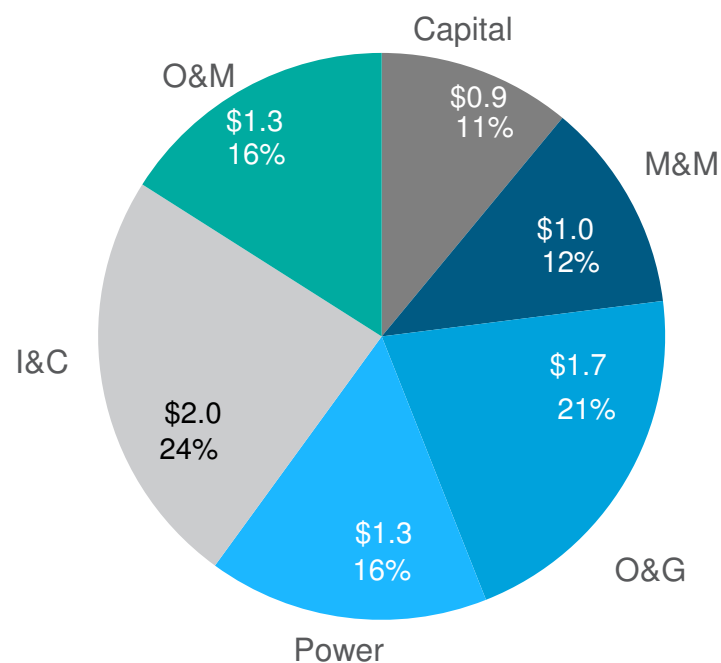
Diversity of revenue base – segment

(in billions of \$)

2015



2014



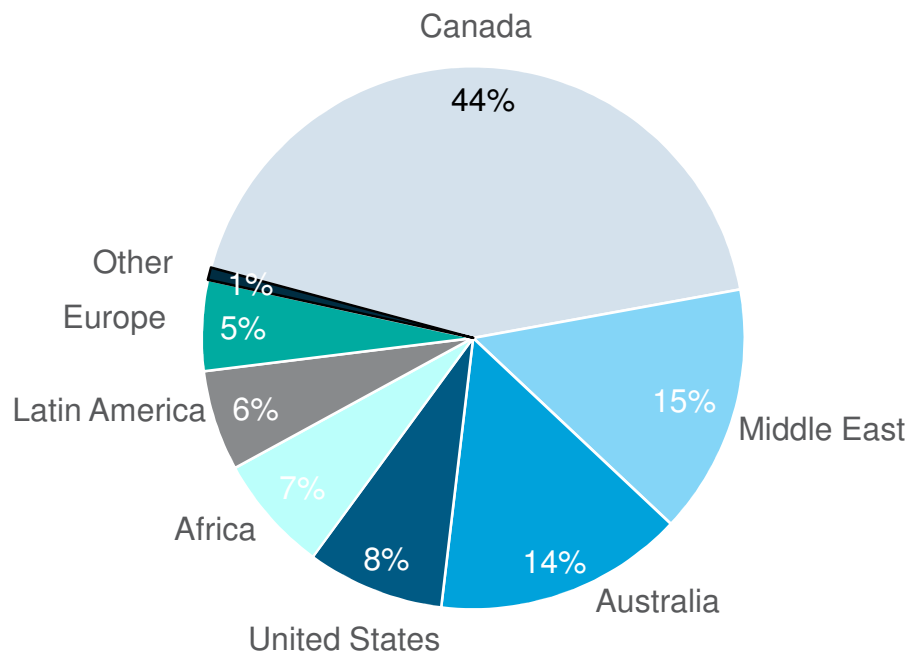
2015 Revenues
\$9.6 billion



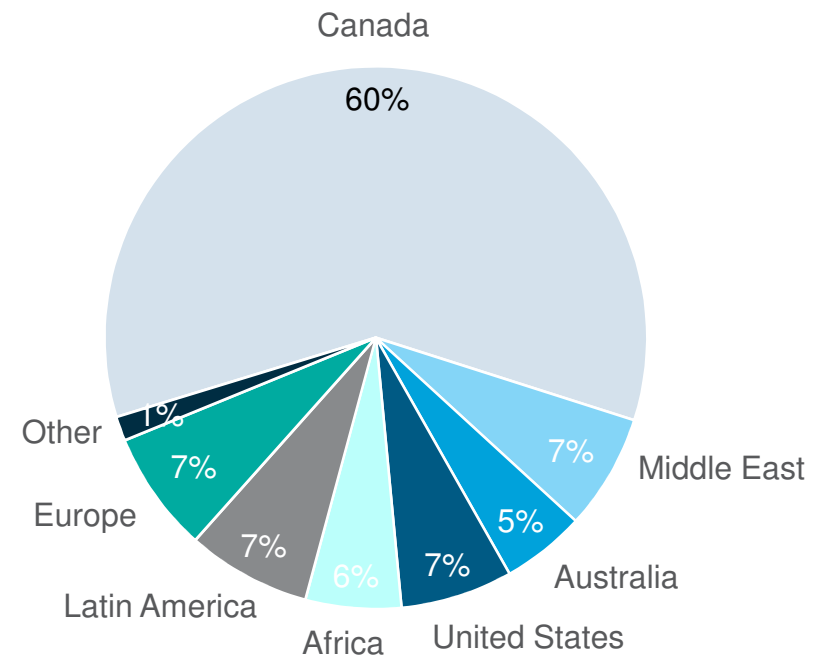

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Diversity of revenue base – geographic

2015



2014

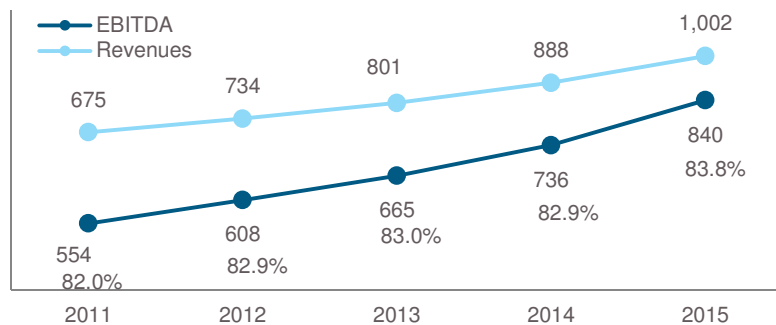


2015 Revenues
\$9.6 billion

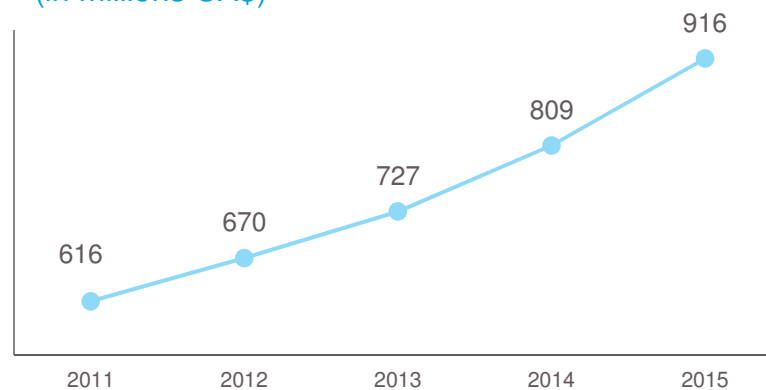
407 ETR information

Year ended December 31 (in millions CA\$)	2015	2014	Change (%)
Revenues	1,002.2	887.6	12.9%
Operating expenses	162.2	151.9	6.8%
EBITDA	840.0	735.7	14.2%
EBITDA as a percentage of revenues	83.8%	82.9%	0.9%
Net income	311.2	222.9	39.6%

Total Revenues / EBITDA
(in millions CA\$)



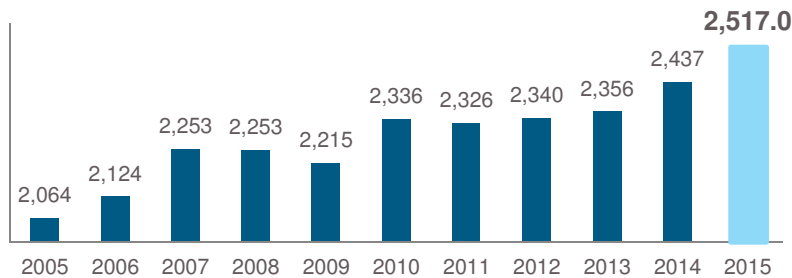
Toll revenues
(in millions CA\$)



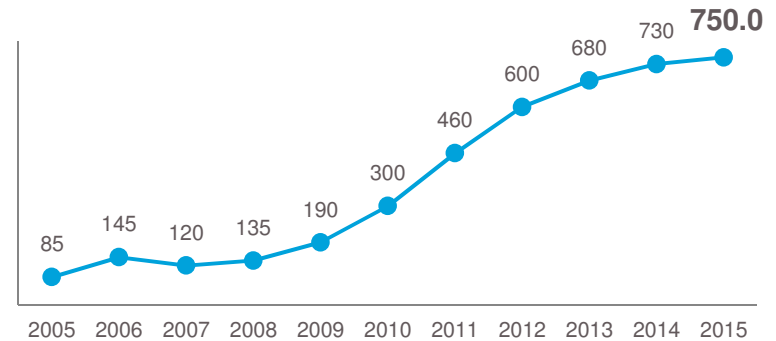
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407 ETR information

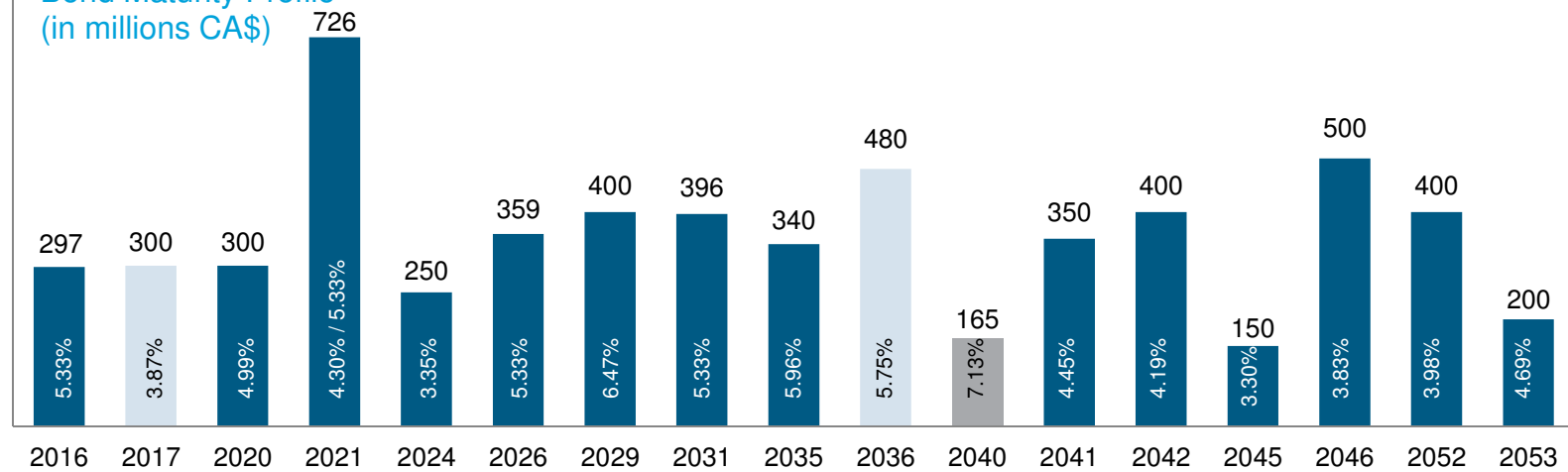
Gross Vehicle Kilometres Travelled
(in millions - km)



Dividends Paid
(in millions CA\$)



Bond Maturity Profile
(in millions CA\$)



■ Senior Bonds (\$5.1 billion)

■ Subordinated Bonds (\$0.8 billion)

■ Junior Bonds (\$0.2 billion)



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Net income reconciliation – 2015

(in millions CAD\$ except per share amount)

	Net income, as reported	Net charges related to the restructuring and right-sizing plan	Acquisition of Kentz		Net gain on investment disposals	One-time net foreign exchange gain	Net income, adjusted
			Acquisition-related costs and integration costs	Amortization of intangible assets			
Fourth Quarter 2015							
<i>In M\$</i>							
E&C	13.9	34.8*	0.1	17.3	-	-	66.1
Capital	35.3	-	-	-	-	-	35.3
	49.2	34.8	0.1	17.3	-	-	101.4
<i>Per diluted share (\$)</i>							
E&C	0.09	0.23	0.00	0.12	-	-	0.44
Capital	0.24	-	-	-	-	-	0.24
	0.33	0.23	0.00	0.12	-	-	0.68
Year Ended December 31, 2015							
<i>In M\$</i>							
E&C	95.8	51.4*	15.2	72.0	-	(32.6)	201.8
Capital	308.5	-	-	-	(145.7)	-	162.8
	404.3	51.4	15.2	72.0	(145.7)	(32.6)	364.6
<i>Per diluted share (\$)</i>							
E&C	0.64	0.33	0.10	0.48	-	(0.21)	1.34
Capital	2.04	-	-	-	(0.96)	-	1.08
	2.68	0.33	0.10	0.48	(0.96)	(0.21)	2.42



Net income reconciliation – 2014

(in millions CAD\$ except per share amount)

	Net income, as reported	Net gain on investment disposals	Charges related to the restructuring and right-sizing plan announcement of November 6, 2014	Acquisition of Kentz			Other restructuring costs (recorded before November 6, 2014)	Net income, adjusted
				Acquisition- related costs and integration costs	Financial expenses	Amortization of intangible assets		
Fourth Quarter 2014								
In M\$								
E&C	(255.6)	-	236.5	6.0	18.2	17.6	-	22.7
Capital	1,402.2	(1,337.3)	19.1	-	-	-	-	84.0
	1,146.6	(1,337.3)	255.6	6.0	18.2	17.6	-	106.7
Per diluted share (\$)								
E&C	(1.67)	-	1.55	0.04	0.12	0.11	-	0.15
Capital	9.18	(8.76)	0.13	-	-	-	-	0.55
	7.51	(8.76)	1.68	0.04	0.12	0.11	-	0.70
Year Ended December 31, 2014								
In M\$								
E&C	(300.5)	-	236.5	53.1	27.3	26.5	12.0	54.9
Capital	1,633.8	(1,334.2)	19.1	-	-	-	-	318.7
	1,333.3	(1,334.2)	255.6	53.1	27.3	26.5	12.0	373.6
Per diluted share (\$)								
E&C	(1.97)	-	1.55	0.35	0.18	0.17	0.08	0.36
Capital	10.71	(8.74)	0.13	-	-	-	-	2.10
	8.74	(8.74)	1.68	0.35	0.18	0.17	0.08	2.46



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Questions & Answers